

For Immediate Release
October 19, 2005

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Senate Votes to Help Boost Michigan's Economy Through Diversification

Lansing - The Michigan Senate has approved an economic diversification package that will help boost Michigan's economy by blending private sector and state government resources to focus on creating high-tech, high-growth job opportunities.

Senate Majority Leader Ken Sikkema, R-Wyoming, said this package is one part of the many initiatives Michigan must take to improve the state's economy.

"It's time we take some bold action and make prudent investments in growth opportunities," Sikkema said. "Michigan's unacceptably high unemployment rate and struggling economy cannot be solved with any single action or piece of legislation. But with this package, Michigan is taking a major step forward in helping to diversify our economy and our jobs base. It's a major step forward in recognizing that Michigan's economic future is going to look very different from our economic past.

"We need job creation and expansion across this state today and this package recognizes that we can provide money right now to an economy that desperately needs to diversify."

The legislation allows the state to take a portion of Michigan's annual tobacco settlement revenue and invest it in new ways to diversify the economy. Known as securitization, it provides an upfront lump sum of money from the tobacco settlement instead of a predetermined amount over a set period of years. The state will use the money to provide grants and loans to companies involved in the research and commercialization of new products while also stimulating venture capital investments in Michigan.

Economic diversification will allow Michigan to expand its economy through long-term investments. With support from the state, entrepreneurs will spur new technologies, create new products and future high-paying jobs and change the economic culture of the state.

The package will:

- Encourage commercial loans to small businesses;
- Authorize private equity investments by the state;
- Increase the Venture Michigan Fund;
- Emphasize commercialization of new products;
- Reduce new business expenses;
- Establish a life-sciences research network;
- Provide for venture capital rollover;
- Increase investment in sustaining Michigan's forests and forestry industry;
- Support value-added agricultural operations; and
- Improve funding for promotion of Michigan as a tourism destination.

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